

APPLICATION FOR OIL AND GAS LOAN GUARANTEE

Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick-, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years or both. "

CERTIFICATION: Information contained below and in attached exhibits is true and complete to my best knowledge. (Misrepresentation of material facts may be the basis for denial of credit by the Board.)

1. NAME OF BORROWER		3. BORROWER'S ADDRESS (Include Zip Code)	
2. BORROWER'S TAX ID #			
4. CONTACT PERSON		5. TELEPHONE NUMBER (Include Area Code)	
6. AMOUNT OF LOAN		7. GUARANTEE PERCENTAGE REQUESTED	
8a. Does Borrower have outstanding delinquent Federal debt? <input type="checkbox"/> Yes <input type="checkbox"/> No 8b. Does lender have outstanding delinquent Federal debt? <input type="checkbox"/> Yes <input type="checkbox"/> No		9. TYPE OF BORROWER <input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Other _____	10. HAS BORROWER EVER BEEN IN RECEIVERSHIP OR BANKRUPTCY? <input type="checkbox"/> Yes <input type="checkbox"/> No

I 1. PROVIDE INFORMATION BELOW ON KEY PEOPLE (PROPRIETOR, PARTNERS, OFFICERS, DIRECTORS, KEY EMPLOYEES AND STOCKHOLDERS, WITH 20% OR MORE INTEREST IN THE BUSINESS). ALSO INCLUDE PERSONS OR CORPORATION THAT WILL GUARANTEE LOAN.

NAME AND POSITION	U.S. CITIZEN YES OR NO	ANNUAL COMPENSATION	PERCENT OF OWNERSHIP	OUTSIDE NET WORTH	PERSONAL/ CORPORATE GUARANTEE: Y/N

12. NAME OF LENDER		13. LENDER'S ADDRESS (Include Zip Code)	
14. LENDER TAX ID NUMBER	15. CONTACT PERSON		16. TELEPHONE NUMBER (Include Area Code)

17. IS LOAN WITHIN LENDER'S LEGAL LENDING LIMIT? <input type="checkbox"/> Yes <input type="checkbox"/> No	18. WHY IS GUARANTEE NEEDED?	19. PURPOSE OF THE LOAN <input type="checkbox"/> Working Capital <input type="checkbox"/> Capital Expenditures <input type="checkbox"/> Refinancing <input type="checkbox"/> Transfer of Ownership <input type="checkbox"/> Other _____
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20. LIST ANY OFFICER, DIRECTOR, STOCKHOLDER, OR EMPLOYEE OF THE LENDER WHO HAS A FINANCIAL INTEREST IN THE BORROWER, OR VICE VERSA, AND DESCRIBE THE RELATIONSHIP AND INTEREST:

21. DESCRIBE THE STRUCTURE AND TERM OF THE LOAN:

22. FINANCING

Proposed Financing	Loan Amount	Interest Rate "V" -variable	Base Rate As of Today	Interest Rate Tied To	Days Interest Computed On	Term "Y" - "Mo "	Monthly Payments
TOTAL							

23. LIST ALL FEES LENDER WILL CHARGE FOR THE LOAN, INCLUDING THE GUARANTEE FEE:

24. LENDER'S SERVICING PLAN (FIELD INSPECTIONS, INTERIM STATEMENTS, ANNUAL AUDITS, AND CREDIT ANALYSIS, ETC.):

25. COLLATERAL AVAILABLE FOR THE BOARD GUARANTEED LOAN:

Presently Owned or to be Acquired	Value	Value Type	Discount Factor	Prior Liens*	Net Collateral Value
Accounts Receivable					
Inventory					
Machinery & Equipment					
Reserves					
Building					
Land					
Other:					
TOTALS					

* Indicate by asterisk liens to be paid off with guaranteed loan funds

26. PURPOSE AND FUNDING

	Borrower Contribution	Board Guaranteed Loan	Other Funds	Total
Working Capital				
Capital Expenditures				
Real Estate				
Refinancing				
Transfer of Ownership				
Other				
Fees: Professional, Board Guarantee				
TOTAL				

27. EQUITY OF BORROWER

Tangible book equity * May include Proprietorship, Partnership, or other forms of Net Worth.		When Loan Note Guarantee Is Issued:
	Common Stock	\$
	Preferred Stock	\$
	Retained Earnings	\$
	Capital Surplus	\$
	Other*	\$
	TOTAL	\$

ATTACH THE FOLLOWING:

- ☐ 28. The information required to complete Form "Environmental Assessment and Compliance Findings Related to Environmental Laws", and attachments (if applicable), as required by 13 C.F.R. 500.206(a)(2)(i)(D), unless the project is categorically excluded under section 500.206(b).
- ☐ 29. All Loan Documents that will be signed by the Lender and Borrower if the application is approved, including all terms and conditions of, and Security or additional Security to assure the Borrower's performance under the loan.
- ☐ 30. Certification by the Chairman of the Board and the Chief Executive officer of the Borrower acknowledging that the Borrower is aware that the Lender is applying to the Board for the guarantee of a loan under the Program, as described in the Loan Documents, and agreeing to an audit by the General Accounting Office, or its designee, prior to the issuance of the loan guarantee and annually thereafter while such guaranteed loan is outstanding.
- ☐ 31. The Lender's full written underwriting analysis of the loan to be guaranteed by the Board.
- ☐ 32. A description of all Security for the loan, including, as applicable, current appraisals of real and personal property, copies of any appropriate environmental site assessments, and current personal and corporate financial statements of any guarantors. Appraisals of real property shall be prepared by State licensed or certified appraisers, and be consistent with the Uniform Standards of Professional

Appraisal Practice" promulgated by the Appraisal Standards Board of the Appraisal Foundation. Financial statements shall be prepared by independent Certified Public Accountants.

- ☐ 33. Consolidated financial statements of the Borrower for the previous 3 years (if an existing business) that have been audited by an independent Certified Public Accountant, including any associated notes, as well as any interim financial statements and associated notes for the current fiscal year.
- ☐ 34. A five year history and five year projection for output, cash flow, average realized prices and production costs of the Borrower. If the loan proceeds are to be used to purchase substantial assets of an existing firm, a pro forma balance sheet at startup, and 5 years projected year end balance sheets and income statement at start-up.
- ☐ 35. Documentation that credit is not otherwise available to the Borrower under reasonable terms or conditions sufficient to meet its financial needs, as reflected in the financial or business plan of that company. The Lender must provide, with its application, those items required by 13 C.F.R. 500.200(b).
- ☐ 36. Documentation sufficient to demonstrate that the lender is eligible under 13 C.F.R. § 500.201 (a) and to allow the Board to make a determination to issue the guarantee to such lender as set forth in 13 C.F.R. § 500.201(b).
- ☐ 37. A report as to the Borrower's designation of the nature and value of projected reserves from an independent petroleum engineer acceptable to the board .
- ☐ 38. Record of any pending or final regulatory or legal (civil or criminal) action against the Borrower, parent, affiliate, proposal guarantors, subsidiaries, principal stockholders, officers and directors.

GENERAL LENDER CERTIFICATION

Lender certifies that it has reviewed the General Lender Certifications contained in this application. Lender's signature represents the lending institution's agreement to comply with the limitations outlined in the General Lender Certifications.

Lender certifies that it meets all criteria to be considered as an eligible Lender.

Lender certifies that it has followed the same loan underwriting analysis with the loan to be guaranteed as it would follow on for a loan not guaranteed by the Government, and certifies that the loan, Lender, and Borrower meet each of the requirements of the Program as set forth in the Emergency Oil and Gas Guaranteed Loan Program Act of 1999, and 13 C.F. R. Part 500.

Lender's Name

Date

Officer Signature

Officer Title

Public reporting for this collection of information is estimated to average 36 hours per response, including the time for compiling data for the environmental forms (20 hours), reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Emergency Oil and Gas Guarantee Loan Board, 1401 Constitution Avenue, N.W., Washington, D.C. 20230. Upon completion, this form should be forwarded to the Board at this address. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

PRIVACY ACT STATEMENT

Section 201 (k) of Pub .L. No. 106-51 (codified at 15 U. S.C. 1841 note), authorizes collection of this information. Section 7701 of title 3 1, United States Code authorizes the collection of taxpayer identification numbers. The primary purpose of this information is to evaluate the loan guarantee application, but it may also be used for debt collection if the guaranteed loan is in default. Additional disclosures of this information may be: to a Federal, State or local law enforcement agency, when the Board becomes aware of a possible violation of civil or criminal laws, to a Federal, State or local agency maintaining enforcement or other relevant information, to obtain information related to the Board's decision whether to issue a guarantee, to a court magistrate, or administrative tribunal in the course of presenting evidence, including disclosure to opposing council in the course of settlement negotiations, the Department of Justice in connection with determining whether disclosure is required by the Freedom of Information Act (5 U. S.C. 552), to a contractor of the Board having need for the information in the performance of the contract, to the Administrator, General Services, or a designee, during an inspection of records conducted as part of GSA's responsibility to recommend improvements in records management practices and programs, and to the Department of the Treasury or the Department of Justice in connection with claims collection or offset under the Debt Collection Improvements Act of 1996. Furnishing the requested information is voluntary, but failure to do so may result in denial of the requested loan guarantee.

GENERAL LENDER CERTIFICATIONS

LENDER

(1) RESTRICTIONS AND DISCLOSURE OF LOBBYING ACTIVITIES

The Lender states, to the best of his or her knowledge and belief, that if any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or Guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$11,000 and not more than \$110,000 for each such failure.

(2) CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -PRIMARY COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 C.F.R. §500.108 Participants' responsibilities. The regulations were published as part 500 of 13 C.F.R., 1999 (64 F.R. 57946, Wednesday October 27, 1999). Copies of the regulations may be obtained by contacting the Board.

The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out on this form. The certification or explanation will be considered in connection with Board's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

The certification in this clause is a material representation of fact upon which reliance will be placed when the Board determines to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Board may terminate this transaction for cause.

The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person" "primary covered transaction", "principal," and "voluntarily excluded," as used in this clause, have the meanings set out in Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into a lower tier covered transaction with a person who is debarred, suspended, ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

The prospective primary participant further agrees by submitting this form that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tiered Transactions, provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under the regulations, if a participant in a covered transaction knowingly enters into a lower tier covered

transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency may terminate this transaction for cause or default.

(A) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

- (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency:
- (2) have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction-, violation of Federal, or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property,
- (3) are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph A.2. of this certification, and
- (4) have not within a three-year period preceding this application or proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(B) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.